

Message Text

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63

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO PRIORITY

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TOSHU/TOECO 12

FOLLOWING ATHENS 6304 SENT ACTION SECSTATE INFO USDOC WASHDC
AND VIENNA SEPTEMBER 8TH:

QUOTE

LIMITED OFFICIAL USE ATHENS 6304

E.O. 11652: N/A

TAGS: ETEL, BFOL, GR

SUBJ: OLYMPIA COMMUNICATIONS PROJECT

REF: TELECON ASSISTANT SECRETARY CASEY - AMBASSADOR TASCA

DEPT PASS EXIMBANK; VIENNA FOR DIETZ

1.FOLLOWING IS TEXT OF LETTER REFERRED TO IN ATHENS 6260 FROM
AMBASSAODR TASCA TO DEPUTY PRIME MINISTER MAKAREZOS. LETTER WAS
HAND DELIVERED SEPTEMBER 7 AND RECEIPT WQS CONFIRMED BY
MAKAREZOS' SECRETARY BY PHONE.

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2. "DEAR MR. DEPUTY PRIME MINISTER:

I BELIEVE YOU SHOULD BE MADE AWARE OF MY CONCERN AND THAT OF MY GOVERNMENT OVER THE DECISION OF THE HELLENIC TELECOMMUNICATIONS ORGANIZATION (OTE) NOT TO AWARD AT LEAST PART OF THE OLYMPIA COMMUNICATIONS PROJECT TO COLLINS RADIO COMPANY.

"COLLINS OFFICIALS HAVE INFORMED ME THAT THEY OFFERED A TECHNICALLY SUPERIOR SYSTEM COMBINED WITH EARLY DELIVERY AND LOW COST. THIS WAS ALSO REFLECTED THROUGHOUT THE PROCUREMENT PROCESS IN THE PREFERENCE SHOWN BY OTE FOR THE COLLINS PROPOSAL.

"I HAVE BEEN INFORMED THAT COLLINS WAS ADVISED ON AUGUST 29 THAT OTE HAD REACHED A DECISION TO DIVIDE THE PROCUREMENT BETWEEN COLLINS AND MARCONI IN ORDER TO ENSURE THE BEST POSSIBLE SYSTEM. THIS DIVISION WAS TO BE MADE BY AWARDED TO COLLINS THE CONTROL AND RECEIVER PORTIONS OF THE PROJECT, AMOUNTING TO ABOUT 60 PERCENT OF THE TOTAL VALUE AND INCLUDING THOSE TECHNICAL AREAS WHERE COLLINS IS ACKNOWLEDGED TO BE A WORLD LEADER. OTE ALSO REQUESTED THAT COLLINS CONFIRM ITS WILLINGNESS TO ACCEPT THE PROPOSED PARTIAL AWARD AND RESPOND TO CERTAIN OTHER REQUESTS BY THE MORNING OF AUGUST 31. DESPITE THE SHORT NOTICE, COLLINS REPLIED AFFIRMATIVELY BY THE AGREED TIME AND SUBSEQUENTLY ALSO RECONFIRMED ITS ABILITY TO MEET THE REQUESTED INTEREST RATE.

"IN THESE CIRCUMSTANCES, WE FIND IT DIFFICULT TO UNDERSTAND THE SUDDEN DECISION TO AWARD THE ENTIRE PROJECT TO MARCONI.

"I WOULD GREATLY APPRECIATE IT IF YOU WOULD REVIEW THE PROPOSED DECISION OF OTE, ESPECIALLY IN THE LIGHT OF OUR UNDERSTANDING THAT THE COLLINS PROPOSAL HAD BEEN IN A FAVORED POSITION THROUGHOUT THE LONG PERIOD OF THE PROCUREMENT PROCESS. IN THE EVENT THAT IT IS NOT POSSIBLE FOR COLLINS TO OBTAIN THE ENTIRE CONTRACT AS HAD BEEN ANTICIPATED, COLLINS WOULD BE WILLING TO ACCEPT THE PARTIAL AWARD PROPOSED BY OTE.

"I CAN ASSURE YOU THAT THE SENIOR MANAGEMENT OF COLLINS WOULD BE MOST PLEASED TO COME TO ATHENS TO DEMONSTRATE TO YOU AND TO OTE COLLINS' WILLINGNESS TO WORK CLOSELY WITH OTE IN SEEING THAT THE OLYMPIA PROJECT IS THE BEST ATTAINABLE.

"IF YOU SO DESIRE, I WOULD, OF COURSE, BE PLEASED TO DISCUSS THIS MATTER WITH YOU.

SINCERELY,

HENRY J. TASCA

AMERICAN AMBASSADOR"

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3. ASSUME SENIOR MANAGEMENT OFFICIAL COLLINS PREPARED TO COME TO ATHENS AS INDICATED NEXT TO LAST PARAGRAPH.

4. EMBASSY WILL FOLLOW UP WITH OTE TO DETERMINE REASONS AWARD GIVEN MARCONI. UNDERSTAND FROM LOCAL COLLINS REP THAT SALIENT POINT IN DECISION WAS MARCONI'S WILLINGNESS ACCEPT GREEK SURPLUS AGRICULTURAL PRODUCTS IN PAYMENT FOR UP TO 90 PERCENT OF VALUE

OF CONTRACT. GIVEN TIGHT SITUATION IN GREEK AGRICULTURE, EMB-
ASSY BELIEVES THIS IS MOSTLY A PLOY AND THAT PAYMENTS WOULD BE
LARGELY IN CASH.
TASCA UNQUOTE RUSH

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